

Subject: Retail Development

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Special Points of Interest

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Inside This Issue

[New Plan Check Submittal
Requirements Effective
November 1, 2011](#)

[Laemmle's NoHo 7 Nears
Completion](#)

[Cirque du Soleil at the Kodak
Theater](#)

[Frank Bush, Assistant Chief -
Code Enforcement Bureau](#)

**LADBS Construction
Service Centers**

Downtown

201 N. Figueroa Street
Los Angeles, CA 90012

Message from the General Manager



Monthly Statistics

We are heading towards the end of the Fiscal Year (June 30) and our numbers are continuing to hold pretty strong.

Building activity has slowed down slightly from the beginning of the Fiscal Year, but April, 2013 was up over April, 2012 by 80%! As shown below, after 10 months, total building permit valuation is now at \$3.017 billion, up 12% over this time last year.

Interestingly, residential housing stats (primarily rental apartments) started off the Fiscal Year very strong, but have significantly slowed down in the last few months. Our year-to-date total is now 6,433 new units--down 1% over this time last year.

What gives up the most cause for optimism, is that the number of new projects coming in for Plan Check is still up a whopping 27% over this time last year. Plan check is our best early indicator for new construction, so we still feel good about ending this Fiscal Year with another year of growth.

Our best year was FY06-07 at \$5.3 billion. When the Great Recession hit, we dropped to \$2.5 billion in FY08-09. The next three years slowly but steadily grew to \$3.0 billion, \$3.3 billion, and \$3.4 billion. If the current pattern continues, we should have our fourth consecutive year of growth.

(Figueroa Plaza)



West Los Angeles

1828 Sawtelle Blvd.
2nd Floor
Los Angeles, CA 90025

South LA

8475 S. Vermont Ave.
2nd Floor
Los Angeles, CA 90044

Van Nuys

6262 Van Nuys Blvd.
2nd Floor, Room 251
Los Angeles, CA 91401

San Pedro

638 S. Beacon Street
Room 276
San Pedro, CA 90731

Counter Hours:

Monday, Tuesday, Thursday,
Friday: 7:30 am - 4:30 pm
Wednesday: 9:00 am - 4:30
pm
* San Pedro & South LA
offices are closed between
noon - 1:00 pm daily

For Information you call:
3-1-1 (Inside LA City) or
(213) 473-3231 (Outside
LA City)

Retail Development

In this month's newsletter we are revisiting retail development in the City. It is particularly relevant to look at retail projects in light of the City's on-going budget challenges.

Prior to Mayor Villaraigosa, the City of Los Angeles had historically not placed a high priority on promoting retail development. Instead, the City's economic development strategy focused on attracting good jobs and affordable housing, with the reasoning that retail development would naturally follow.

In a macro sense, this is true. However, it does not take into consideration the patchwork structure of LA County, which consists of 88 separate cities, and the fact that sales taxes are collected at the "point of sale." Simply put, if an LA resident from Los Feliz shops in Glendale, the sales tax paid for their purchases goes to the City of Glendale and not the City of Los Angeles.

After the passage of Proposition 13 in 1978, local government property tax revenues were significantly reduced. Many of the smaller cities surrounding Los Angeles adjusted their economic development strategies to go after sales tax revenues to offset the loss of property taxes. The City of Los Angeles did not. This failure to adjust to a new budget reality opened the door for the city's sales tax base to be cannibalized by surrounding cities.

As of the end of 2012, the City of Los Angeles ranks #298 in terms of sales tax revenue per capita, out of 520 cities and unincorporated communities in the state. Examples below from cities surrounding the City of Los Angeles make it clear how acute the current situation has become.

However, things are improving. When we last did the retail analysis in March 2011, LA's rank was #316 in terms of sales tax per capita. Major projects during Mayor Villaraigosa's Administration, like the expansion of Topanga Plaza, Mid Town Crossing, and Pacoima Place have certainly helped.

If the City of Los Angeles could raise its per capita sales tax revenue to the statewide average of \$149 that would be an additional \$120 million dollars per year to the City's General Fund!

Accordingly, it was great to see the City Council recently approve two new major retail projects.

USC Village

USC has numerous major developments in the works but perhaps the most impressive is the plan for the future University Village. The \$1.1 billion project will be built on 200 acres of University owned land, which comprises of the current Village and student housing, just north of campus.



Once completed, the new project will offer 350,000 square feet of retail space, housing for over 5,200 students, academic buildings, a hotel and conference center, bars, restaurants, and a grocery store.

Construction on the Village is expected to begin later this year and be completed by 2030. The massive development will bring 12,000 new jobs to the area, 8,000 of them permanent.

As part of the agreement with Mayor Villaraigosa, USC has pledged to hire at least 30 percent of the construction and permanent workforce from the neighborhood, and 10 percent of workers from minority backgrounds, in addition to providing more affordable housing and job training for the community. The USC Village is already being billed the largest mixed use project in the history of South LA.

The Village at Westfield Topanga

The Village at Westfield Topanga is major project that broke ground in February of this year.



Once complete, the \$450 million Village will feature 500,000 square feet of retail and restaurant space, 285,000 square feet of office space, 14,250 square feet of community space, and a 275 room hotel, anchored by a Costco.



Westfield will work with Costco to create a new, modern ground up facility that will meet the needs of the customers and community.

The Village will create approximately 3,046 construction jobs and 4,454 permanent jobs from the annual operation of the completed project.

Projects in the Pipeline

We can see many other projects in the pipeline that promise even more hope for the future, including Valley Plaza, Laurel Plaza, Panorama Mall, Marlton Square, Boyle Heights Sears, Playa Vista II and Ports of Call, just to name a few.

Our Mission Statement

The mission of the Department of Building and Safety is to protect the lives and safety of the residents and visitors of the City of Los Angeles and enhance the quality of life, housing, economic prosperity, and job creation. This is accomplished through advising, guiding, and assisting customers to achieve compliance with the Building, Zoning, Plumbing, Mechanical, Electrical, Disabled Access, Energy, and Green Codes; and local and State laws, through a timely, ethical, cooperative, and transparent process for the facilitation of construction and maintenance of commercial, industrial, and residential buildings throughout the City.

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